

Translation

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## Summary of Consolidated Financial Results for the Year Ended March 31, 2024 (Based on Japanese GAAP)

May 9, 2024

Company name: ARATA CORPORATION  
 Stock exchange listing: Tokyo  
 Stock code: 2733 URL <https://www.arata-gr.jp/>  
 Representative: Representative Director and President Hiroaki Suzuki  
 senior officer,  
 Inquiries: Head of Corporate Governance Nobutaka Tsuchiya TEL 03-5635-2800  
 Headquarters  
 Scheduled date of ordinary general meeting of shareholders: June 25, 2024  
 Scheduled date to file Securities Report: June 25, 2024  
 Scheduled date to commence dividend payments: June 7, 2024  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: Yes

(Amounts less than one million yen are rounded down)

### 1. Consolidated financial results for the year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

#### (1) Consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2024	944,149	5.9	14,508	13.2	15,341	12.1	10,322	25.5
Year ended March 31, 2023	891,600	4.0	12,812	0.5	13,680	(0.5)	8,223	(8.7)

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2024	303.02	298.19	9.7	5.0	1.5
Year ended March 31, 2023	240.78	228.49	8.3	4.9	1.4

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2024	316,976	109,719	34.6	3,252.26
As of March 31, 2023	290,857	102,066	35.1	2,988.51

#### (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2024	14,059	(5,305)	(4,556)	27,016
Year ended March 31, 2023	10,969	(4,281)	(3,311)	22,771

### 2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2023	–	68.00	–	68.00	136.00	2,369	28.2	2.3
Year ended March 31, 2024	–	83.00	–	51.00	–	3,200	30.5	3.0
Year ending March 31, 2025 (Forecast)	–	51.00	–	51.00	102.00		31.6	

3. Forecast of consolidated financial results for the year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2024	488,000	3.5	8,650	8.5	8,750	3.9	5,800	2.0	170.26
Full year	969,000	2.6	16,300	12.3	16,600	8.2	11,000	6.6	322.91

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2024

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations: No

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements: No

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2024	36,057,424 shares	As of March 31, 2023	36,055,280 shares
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Number of treasury shares at the end of the period

As of March 31, 2024	2,325,948 shares	As of March 31, 2023	1,902,334 shares
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Average number of shares during the period

Year ended March 31, 2024	34,065,288 shares	Year ended March 31, 2023	34,153,092 shares
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**Consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	23,886	27,923
Notes and accounts receivable - trade	114,690	133,316
Merchandise	40,135	44,168
Accounts receivable - other	33,259	31,715
Other	5,902	5,820
Allowance for doubtful accounts	(192)	(198)
<b>Total current assets</b>	<b>217,681</b>	<b>242,745</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	52,568	52,316
Accumulated depreciation	(31,216)	(32,017)
Buildings and structures, net	21,351	20,298
Vehicles	54	55
Accumulated depreciation	(35)	(42)
Vehicles, net	18	12
Tools, furniture and fixtures	17,889	18,822
Accumulated depreciation	(14,959)	(15,691)
Tools, furniture and fixtures, net	2,930	3,131
Land	21,022	21,503
Leased assets	13,403	12,897
Accumulated depreciation	(7,351)	(7,576)
Leased assets, net	6,051	5,320
Construction in progress	80	95
<b>Total property, plant and equipment</b>	<b>51,455</b>	<b>50,361</b>
<b>Intangible assets</b>		
Software	2,947	3,642
Leased assets	30	46
Other	2,032	1,918
<b>Total intangible assets</b>	<b>5,010</b>	<b>5,606</b>
<b>Investments and other assets</b>		
Investment securities	11,557	12,875
Distressed receivables	30	37
Guarantee deposits	158	158
Deferred tax assets	1,055	640
Retirement benefit asset	1,241	1,868
Other	2,718	2,736
Allowance for doubtful accounts	(51)	(53)
<b>Total investments and other assets</b>	<b>16,710</b>	<b>18,262</b>
<b>Total non-current assets</b>	<b>73,176</b>	<b>74,230</b>
<b>Total assets</b>	<b>290,857</b>	<b>316,976</b>

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	99,383	120,748
Short-term borrowings	18,869	13,740
Current portion of bonds payable	6,000	–
Lease liabilities	958	909
Accounts payable - other	20,326	20,201
Accrued expenses	2,052	2,125
Income taxes payable	2,651	3,084
Provision for bonuses	1,721	1,850
Other	6,797	7,887
<b>Total current liabilities</b>	<b>158,760</b>	<b>170,546</b>
<b>Non-current liabilities</b>		
Bonds payable	–	5,000
Long-term borrowings	11,696	13,730
Lease liabilities	5,757	5,027
Deferred tax liabilities	37	49
Retirement benefit liability	8,394	8,432
Asset retirement obligations	1,716	1,749
Other	2,429	2,720
<b>Total non-current liabilities</b>	<b>30,030</b>	<b>36,710</b>
<b>Total liabilities</b>	<b>188,791</b>	<b>207,257</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	8,568	8,572
Capital surplus	27,872	27,876
Retained earnings	65,812	73,504
Treasury shares	(3,475)	(4,863)
<b>Total shareholders' equity</b>	<b>98,779</b>	<b>105,089</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	3,865	4,880
Foreign currency translation adjustment	(9)	(44)
Remeasurements of defined benefit plans	(568)	(221)
<b>Total accumulated other comprehensive income</b>	<b>3,287</b>	<b>4,614</b>
<b>Non-controlling interests</b>	<b>–</b>	<b>15</b>
<b>Total net assets</b>	<b>102,066</b>	<b>109,719</b>
<b>Total liabilities and net assets</b>	<b>290,857</b>	<b>316,976</b>

**Consolidated statements of income and consolidated statements of comprehensive income**  
**Consolidated statements of income**

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	891,600	944,149
Cost of sales	804,794	851,730
Gross profit	86,805	92,418
Selling, general and administrative expenses	73,993	77,909
Operating profit	12,812	14,508
Non-operating income		
Interest income	4	4
Dividend income	207	220
Outsourcing service income	183	162
Supporting Income for Operating Activities	160	180
Income from sales of used paper	164	178
Commission income	150	150
Reversal of allowance for doubtful accounts	3	–
Other	350	553
Total non-operating income	1,226	1,450
Non-operating expenses		
Interest expenses	170	288
Share of loss of entities accounted for using equity method	17	112
Loss on sale of trade receivables	154	155
Other	16	60
Total non-operating expenses	358	616
Ordinary profit	13,680	15,341
Extraordinary income		
Gain on sale of non-current assets	–	0
Gain on sale of investment securities	3	81
Gain on sale of shares of subsidiaries and associates	160	–
Total extraordinary income	164	81
Extraordinary losses		
Loss on sale of non-current assets	–	62
Loss on retirement of non-current assets	48	22
Impairment losses	52	153
Loss on valuation of investment securities	804	–
Other	8	0
Total extraordinary losses	914	238
Profit before income taxes	12,930	15,184
Income taxes - current	4,580	5,000
Income taxes - deferred	122	(156)
Total income taxes	4,703	4,844
Profit	8,227	10,340
Profit attributable to non-controlling interests	3	17
Profit attributable to owners of parent	8,223	10,322

## Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	8,227	10,340
Other comprehensive income		
Valuation difference on available-for-sale securities	171	1,015
Foreign currency translation adjustment	7	(37)
Remeasurements of defined benefit plans, net of tax	(208)	346
Total other comprehensive income	(29)	1,324
Comprehensive income	8,197	11,664
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	8,194	11,649
Comprehensive income attributable to non-controlling interests	3	15

## Consolidated statements of changes in equity

Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	8,568	27,882	59,871	(3,474)	92,848
Changes during period					
Dividends of surplus			(2,282)		(2,282)
Profit attributable to owners of parent			8,223		8,223
Purchase of shares of consolidated subsidiaries		(10)			(10)
Purchase of treasury shares				(0)	(0)
Net changes in items other than shareholders' equity					
Total changes during period	–	(10)	5,941	(0)	5,930
Balance at end of period	8,568	27,872	65,812	(3,475)	98,779

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	3,693	(17)	(359)	3,316	7	96,172
Changes during period						
Dividends of surplus						(2,282)
Profit attributable to owners of parent						8,223
Purchase of shares of consolidated subsidiaries						(10)
Purchase of treasury shares						(0)
Net changes in items other than shareholders' equity	171	7	(209)	(29)	(7)	(36)
Total changes during period	171	7	(209)	(29)	(7)	5,893
Balance at end of period	3,865	(9)	(568)	3,287	–	102,066

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	8,568	27,872	65,812	(3,475)	98,779
Changes during period					
Issuance of new shares	3	3			7
Dividends of surplus			(2,630)		(2,630)
Profit attributable to owners of parent			10,322		10,322
Purchase of treasury shares				(1,406)	(1,406)
Disposal of treasury shares				17	17
Net changes in items other than shareholders' equity					
Total changes during period	3	3	7,692	(1,388)	6,310
Balance at end of period	8,572	27,876	73,504	(4,863)	105,089

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	3,865	(9)	(568)	3,287	–	102,066
Changes during period						
Issuance of new shares						7
Dividends of surplus						(2,630)
Profit attributable to owners of parent						10,322
Purchase of treasury shares						(1,406)
Disposal of treasury shares						17
Net changes in items other than shareholders' equity	1,015	(35)	346	1,326	15	1,342
Total changes during period	1,015	(35)	346	1,326	15	7,652
Balance at end of period	4,880	(44)	(221)	4,614	15	109,719



## Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	12,930	15,184
Depreciation	4,604	4,610
Impairment losses	52	153
Amortization of goodwill	0	–
Increase (decrease) in provision for bonuses	25	128
Increase (decrease) in allowance for doubtful accounts	28	7
Increase (decrease) in retirement benefit liability	115	46
Interest and dividend income	(212)	(225)
Interest expenses	170	288
Foreign exchange losses (gains)	(61)	(91)
Share of loss (profit) of entities accounted for using equity method	17	112
Loss (gain) on sale of non-current assets	–	62
Loss on retirement of non-current assets	48	22
Loss (gain) on sale of investment securities	(3)	(81)
Loss (gain) on sale of shares of subsidiaries and associates	(160)	–
Loss (gain) on valuation of investment securities	804	–
Decrease (increase) in trade receivables	(7,054)	(18,612)
Decrease (increase) in inventories	(4,034)	(4,021)
Increase (decrease) in trade payables	5,710	21,901
Decrease (increase) in other assets	817	(3,373)
Increase (decrease) in other liabilities	1,356	1,751
Other, net	345	850
Subtotal	15,502	18,715
Interest and dividends received	218	223
Interest paid	(171)	(284)
Income taxes paid	(4,579)	(4,595)
Net cash provided by (used in) operating activities	10,969	14,059
Cash flows from investing activities		
Payments into time deposits	(1,348)	(923)
Proceeds from withdrawal of time deposits	1,351	1,131
Purchase of property, plant and equipment	(2,362)	(3,545)
Payments for retirement of property, plant and equipment	–	(56)
Proceeds from sale of property, plant and equipment	–	30
Purchase of intangible assets	(1,973)	(2,009)
Purchase of investment securities	(304)	(189)
Proceeds from sale and redemption of investment securities	16	234
Loan advances	(12)	(3)
Proceeds from collection of loans receivable	36	31
Proceeds from sale of shares of subsidiaries and associates	419	–
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(38)	–
Other, net	(64)	(6)
Net cash provided by (used in) investing activities	(4,281)	(5,305)

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(600)	(7,166)
Proceeds from long-term borrowings	6,950	10,030
Repayments of long-term borrowings	(6,081)	(5,958)
Proceeds from issuance of bonds	–	4,972
Redemption of bonds	–	(5,993)
Purchase of treasury shares	(0)	(1,406)
Repayments of lease liabilities	(1,275)	(981)
Proceeds from sale and leaseback transactions	–	4,576
Dividends paid	(2,282)	(2,630)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(21)	–
Net cash provided by (used in) financing activities	(3,311)	(4,556)
Effect of exchange rate change on cash and cash equivalents	39	48
Net increase (decrease) in cash and cash equivalents	3,416	4,244
Cash and cash equivalents at beginning of period	19,354	22,771
Cash and cash equivalents at end of period	22,771	27,016